

### **304.9-700 Definitions for KRS 304.9-700 to 304.9-759.**

As used in KRS 304.9-700 to 304.9-759, unless the context requires otherwise:

- (1) "Actuary" means a person who is a member in good standing of the American Academy of Actuaries;
- (2) "Controlling person" means any person, firm, association, or corporation who directly or indirectly has the power to direct or cause to be directed the management, control, or activities of the reinsurance intermediary;
- (3) "Insurer" means any person, firm, association, or corporation duly authorized by the executive director pursuant to the applicable provisions of this chapter as an insurer;
- (4) "Licensed producer" means an agent, surplus lines broker, or reinsurance intermediary licensed pursuant to the applicable provisions of this chapter;
- (5) "Reinsurance intermediary" means a reinsurance intermediary broker or a reinsurance intermediary manager as defined in subsections (6) and (7) of this section;
- (6) "Reinsurance intermediary broker" means any person, other than an officer or employee of the ceding insurer, firm, association, or corporation who solicits, negotiates, or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of the insurer;
- (7) "Reinsurance intermediary manager" means any person, firm, association, or corporation who has authority to bind or manages all or part of the assumed reinsurance business of a reinsurer (including the management of a separate division, department, or underwriting office) and acts as an agent for a reinsurer whether known as a reinsurance intermediary manager, manager, or by other similar term. However, the following persons shall not be considered a reinsurance intermediary manager with respect to the reinsurer for the purposes of KRS 304.9-700 to 304.9-759:
  - (a) An employee of the reinsurer;
  - (b) A United States manager of the United States branch of an alien reinsurer;
  - (c) An underwriting manager which, pursuant to contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer, subject to Subtitle 37 of this chapter, and whose compensation is not based on the volume of premiums written; or
  - (d) The manager of a group, association, pool, or organization of insurers which engage in joint underwriting or joint reinsurance and who are subject to examination by the insurance regulatory official of the state in which the manager's principal business office is located;
- (8) "Reinsurer" means any person, firm, association, or corporation duly authorized in Kentucky pursuant to this chapter as an insurer with the authority to assume reinsurance;
- (9) "To be in violation" means that the reinsurance intermediary, insurer, or reinsurer for whom the reinsurance intermediary was acting failed to comply substantially with the provisions of KRS 304.9-700 to 304.9-759; and

- (10) "Qualified United States financial institution" means an institution that:
- (a) Is organized or, in the case of a United States office of a foreign banking organization, licensed under the laws of the United States or any state thereof;
  - (b) Is regulated, supervised, and examined by the United States government or state authorities having regulatory authority over banks and trust companies; and
  - (c) Has been determined by either the executive director, or the Securities Valuation Office of the National Association of Insurance Commissioners, to meet the standards of financial condition and standing considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the executive director.

**Effective:** July 14, 1992

**History:** Created 1992 Ky. Acts ch. 155, sec. 1, effective July 14, 1992.

**Legislative Research Commission Note** (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.